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RUEHFR/AMEMBASSY PARIS 1879  
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SUBJECT: CAMEROON'S COCOA SECTOR: ECONOMIC AND LABOR ISSUES

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Summary  
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1. (U) PolOff recently met with Bill Guyton, president of the World Cocoa Foundation (WCF) and separately with representatives from the USDA's Agricultural Research Service (ARS). The USDA's focus is on disease prevention in the cocoa sector, while WCF addresses primarily world market development. Cameroon may be vulnerable to threats from disease and food terrorism, threats that its agricultural research institute (IRAD) is seeking to counter. While Cameroon is a major cocoa producer, its cocoa is not a sufficiently high quality to compete effectively on the world market, and farmers do not earn the same rate of return as farmers in other countries. Cocoa cultivation in Cameroon is mainly carried out by small shareholders, who have developed a mixed-cropping system to guard against market fluctuations.

Although the WCF has not found evidence of child trafficking, there are farm safety issues that affect children. WCF also promotes literacy and numeracy among cocoa farmers. End summary.

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Recent U.S. Visitors to Cameroon  
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2. (U) The USDA team visited Cameroon's agricultural research institute (French acronym, IRAD), which is associated with the worldwide CIRAD program, a reflection of France's historical ties in Cameroon; it also has some past ties with Russia. The bulk of the program's activities are in Africa.

3. (U) The USDA team included Eileen Herrera, USFDA-ARS; Juan C. Motomayor, Masterfoods USA; Prakash K. Hebbar, USDA-ARS; Eric Rosenquist, National Program Leader, Tropical Commodities, USDA-ARS; and a French representative from the ARS facility in Montpellier.

4. (U) Poloff met separately with Bill Guyton, president of the WCF. The WCF works with the USDA-ARS on training and outreach programs, doing long-term investment in cocoa research, pest management, and mapping the cocoa genome.

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Cocoa Research in Cameroon  
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15. (U) The main focus of the cocoa research carried out is disease resistance, although researchers are also looking for alternatives to cacao growing. The WCF funds regional programs for crop research on fungal diseases that take one third of the crop each year (and one half of the Latin American crop). There is pressure to develop disease resistance to witch's broom and frosty pod, fungal diseases that can easily be spread through contact with workers' clothing. These blights can destroy not just crops, but whole trees. Although these maladies are not currently present in African countries, Africa is potentially vulnerable, and researchers want to prepare Africa for the expected plague. These diseases would be devastating if they reached West Africa, according to the IRAD team.

16. (U) There is some concern about food terrorism, i.e., deliberate attempts to destroy crops. According to Herrera, there have been rumors, later proved untrue, about people trying to carry witch's broom to Cote d'Ivoire; however, smugglers have been caught carrying frosty pod in Mexico, she said.

17. (U) The research in Cameroon includes genetic research to tag the cacao genes, but researchers are not creating genetically modified (GMO) products because the high-end chocolate consumer is leery of GMO products. Instead, researchers are working on accelerated breeding methods using traditional techniques. Much of the research performed in the cocoa industry is country-specific, with a focus on developing fine chocolates in response to market demand.

18. (U) Pierre Tondje, a Cameroonian scientist collaborating

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with Prakash Hebbar, is currently working on black pod, which is the problem in Cameroon. Their work is supported by USDA, USAID and Masterfoods,

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U.S. Interest  
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19. (U) Although the U.S. is not a cocoa producer, it does have a major interest in cocoa (reflected in Congressional acts), because of the large number of U.S. products used in chocolate production, and because the U.S. is also a major consumer, Herrera said. According to WCF, most U.S. products are obtained from Cote d'Ivoire; Ghana markets to the European Union.

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Economic Factors Affecting Cocoa in Cameroon  
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110. (U) Though not the region of origin, Africa is the largest producer of cocoa in the world. African cocoa is not high-quality, however, because the emphasis is on higher production, not higher quality. Cameroonian farmers lack incentives to grow high-quality cocoa because low- and high-quality beans are bought at the same price. The buyers are able to extract the desired quality from the mix of beans they purchase.

111. (U) The degradation of the quality of Cameroonian cocoa is attributed to economic liberalization policies aimed at eliminating price controls. In 1985, approximately 70 percent of Cameroon's exported cocoa was classified as high quality; that percentage has since declined to less than 10 percent.

¶12. (U) Cocoa cultivation in Cameroon is mainly carried out by small shareholders, not plantation growers. As a result, Cameroon is the best example of the mixed-cropping system, which was developed by the Cameroonian farmers themselves, who were concerned about growing cash crops that were vulnerable to market fluctuations. The farmers therefore prefer to grow cocoa along with food crops, which can be eaten should the market for cocoa drop.

¶13. (U) According to WCF's Bill Guyton, what producers are looking for now good is quality. Cameroon is not currently "at the top of the list." Companies are looking to South America, primarily Ecuador, which produces 90,000 tons of cocoa per year. Demand has been rising, and the industry "needs another Ecuador each year" (i.e., 90,000 tons of cocoa) to satisfy it. Guyton said that Cameroon would benefit at this time from a national policy addressing quality standards in order to attract buyers looking for high-quality cocoa.

¶14. (U) Guyton said that West African farmers are farther removed from the marketing process than are farmers elsewhere. WCF is promoting co-operatives to help remedy that problem. Currently, West African farmers receive only 35 percent of the market price, compared to Indonesia, where they obtain 80-90 percent of the price.

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Child Labor Issues  
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¶15. (U) WCF addresses education and child labor issues in the cocoa industry as well. It is developing programs in Ghana and Cote d'Ivoire to promote literacy and numeracy among the next generation of cocoa farmers, according to Guyton, primarily through STCP (Sustainable Tree Crop Program) Farmer Field Schools. WCF is also sensitive to child labor issues, which Guyton said are often difficult to define; the WCF uses ILO Convention 182 as a guide. Although the WCF claims it has not found evidence of child trafficking in the cocoa sector, Guyton said there are farm safety issues that affect children, such as pesticide use and the dangers posted by the use of machetes and the carrying of heavy loads. (Note: According to the 2006 Human Rights Report,

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there were estimates of up to 8,000 underaged (17 and under) children working in the cocoa industry, most of whom were likely working alongside their parents or with their parents' consent and not/not trafficked into the sector.) Current efforts at a certification process to address child labor issues, according to Guyton, focus on Ghana and Cote d'Ivoire, not Cameroon.

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